32. Measures for the improvement of trade in the Alleppey town.

MR. M. L. JANARDANAN PILLAI (*Trading Classes, Alleppey*) urged the need for completing the following works with a view to improve trade facilities in Alleppey :—

(1) Foot bridge connecting the northern and southern banks of the canal at Chunkam. The two bridges on the eastern side should also be put in order.

(2) Provision of foot bridges across the Commercial Canal at several centres.

(3) Completion of R. C. works in the above-said canal. Only a small portion remained to be done. The shallowness of the canal west of the Kothuvalchavadi bridge was a serious impediment to trade.

(4) Improvement of the roads in the Alleppey town. The roads were in a bad condition and the Municipal Council had expressed their inability to continue the maintenance of roads. The P. W. D. should therefore take up the maintenance. In any case there was no justification in leaving them in a bad condition.

(5) Construction of the Kothuvalchavadi bridge. It was situated in a busy centre and its closing for traffic for nearly 2 years had put the traders to serious inconvenience. The construction of the bridge should be put in hand without further delay.

The member's next prayer was for the provision of more godowns at Alleppey. The rice and paddy merchants did not ordinarily care to put up godowns of their own. In the interests of trade, it was necessary to attract more and more imports. The Chief Engineer had made a proposal to remove the local salt depot elsewhere and construct godowns there. The proposal should be sanctioned at an early date. The landing charges should be reduced.

For the development of trade in Alleppey, through communication with Cochin was absolutely necessary. The provision of a *junghar* at Arur was an immediate necessity.

The prescribed speed limit of 12 miles per hour for motor buses was very low. It should be raised to 20 miles per hour so that Alleppey might have speedier motor connection with Quilon and the hinterland which provided all the articles of export.

A source of great grievance to traders was the faulty scale maintained in the Alleppey Customs House. There were other grievances to which they were put. It would be desirable to appoint a committee to enquire into those grievances and suggest measures for their redress.

Another complaint was about the assessment to income tax of incomes derived from business. The schedule of rates of depreciation prescribed was faulty in that it did not prescribe rates for buildings, vehicles and other trade accessories used locally. The rates themselves in some cases were unduly low. The balance sheets and profit and loss accounts produced by merchants should be accepted by the income tax authorities. They were submitted with reference to the

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ledgers and if false returns were proved to have been furnished, the merchants were liable to punishment. In the circumstances, the production of account books was unnecessary. If, however, they had to be examined, a senior officer of responsibility should be asked to examine them. Again in making allowances for abatement of income tax, such items as subscriptions to business magazines, expenditure on account of *pansupari*, rickshaw hire, repairs to carriages, cycles, etc., were disallowed, so also salaries paid to nephews, brothers, etc., of a *makkattaya* family who had no claim to any share in the business. Those items were incidental to the carrying on of any business and should not be disallowed.

In some businesses like the pepper and coir matting trades, the merchants incurred loss in some years. Although the fact was known to the income tax officers, they assessed the merchants simply for the sake of revenue. That was not fair.

The assessment in all cases should be just and fair. To seek redress by appeal against an assessment order was not advisable because of the cost involved. The assessees were not given copies of assessment orders. These were absolutely necessary so that assessees might know how the assessed tax was arrived at. Income tax collectors should therefore be asked to send copies of the assessment orders along with the 'F' (demand) notices. They should also be asked to work the Income Tax Regulation with greater fairness to merchants and stricter regard to truth and actual trade conditions. That was absolutely necessary especially because civil courts were debarred from entertaining suits in respect of assessment of income tax, under Section 51 of the Income Tax Regulation.

DEWAN S REPLY : Mr. Janardanan Pillai, you have dealt with various points. I may just say a word or two on each of the points you dealt with at length. As regards the construction of the Chunkam bridge, action is being taken and the work is being carried on. In the Budget for 1105, there is a provision of Rs. 4,000 for the work.

Then in regard to the provision of foot-bridges across the Commercial Canal, I have myself seen Alleppey, and from personal knowledge and other information available I can say that there are a number of bridges over the canal comparatively at short distances. It is doubtful therefore whether there is any necessity for foot-bridges across the canal. As a matter of fact, there is one bridge for every three furlongs.

MEMBER: That is not correct information.

DEWAN: At what distances then ?

MEMBER: Some about half a mile apart.

DEWAN: I merely said, on an average, a bridge exists for every three furlongs. With regard to the particular bridge mentioned by you, I shall refer the matter to the Chief Engineer.

With regard to the completion of R. C. works in the remaining portion of the Commercial Canal, that is a matter which is receiving the attention of Government.

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Then about the maintenance of roads in the Alleppey town, the Municipality undertook the work for a period of five years. That period has now elapsed. You say that Government might resume the maintenance of roads. I do not think that it can be said, as a general rule, that all roads in the municipal towns should be taken over by Government and should be maintained by them. The Municipalities have a duty to maintain at least the secondary roads within their limits. That is a question which has to be taken up not in an isolated fashion but with regard at least to all the major municipalities in the State and the matter is under consideration and I shall try to see that some final orders are passed soon.

In regard to the construction of the Kothuvalchavadi bridge, an estimate has been sanctioned and the Chief Engineer expects to take up that work soon.

With regard to the provision of more godowns for Indian merchants, especially importers of rice and paddy, I shall consider that point.

With regard to the reduction of landing charges at Alleppey, I may say, the charges are even now low, much lower than the rates in Cochin. Your suggestion for further reduction will also be considered.

Provision of a *junghar* at Arur is the next point you urge. This matter is also under consideration. I am in correspondence with the officers of the Cochin Government. I expect to arrive at an agreement before long.

The next point is the appointment of a committee of officials and non-officials to enquire into the grievances of Indian shippers at Alleppey and suggesting remedial measures. This will be carefully gone into.

Then you dealt with income tax. If you will kindly hand over your remarks about the various difficulties you mentioned, I shall refer them to the Income Tax Commissioner and see what can be done. In regard to one of them, namely, Income Tax Officers looking into accounts, it seems to me that it is not possible to take away the discretion from the officers concerned. Of course, the Income Tax Officers should not call for the accounts, unless they have reason to suspect the correctness of the figures. Subject to that limitation, full discretion has to be vested in the officer who is to be satisfied of their correctness.

All I can say is that the Income Tax Officers will be instructed not to call for accounts, except when necessary.

The other points raised by you in that connection will be referred to the Income Tax Commissioner.

33. Economic Development.

MR. K. C. EAPEN (*Trading Classes, Trivandrum*) said that, for the general benefit of the country, Government should devote attention to public health and the economic advancement of the people. While

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